

Operational Improvement Savings (PN0)

The purpose of Operational Improvement Savings is to reflect measurable reductions of the District's expenditures as a result of achieving operational improvements within agencies.

Proposed Savings (\$ in thousands)	(\$10,000)
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Overview

In FY 2001, a new Operational Improvements Division (OID) will be created in the Office of the City Administrator (AE0) to improve operations in agencies and the delivery of services. As a result of achieving operational improvements, OID expects to generate \$10 million in savings.

OID and agencies will be provided with a variety of tools (collectively known as the “toolkit”) to improve government operations. The “toolkit” includes Business Process Reengineering, Employee Stock Option Plans, Public-Private partnerships, Outsourcing/Privatization, Insourcing, and Managed Competition. Additionally, OID will provide training and technical assistance (including activity-based costing information) to agencies and employees. With the innovative “toolkit”, OID expects to achieve its \$10 million savings target by reducing operational costs on an aggregate basis, reducing unit costs of operations, streamlining staffing patterns, and reducing contract costs. OID also expects to increase revenues.

FY 2001 Proposed Operating Budget

(Dollars in Thousands)

Operational Improvement Savings

Object Class	Actual FY 1999		Approved FY 2000		Proposed FY 2001		Variance	
Subsidies and Transfers	0		0		-10,000		-10,000	
Subtotal for: Nonpersonal Services (NPS)	0		0		-10,000		-10,000	
Total Expenditures:	0		0		-10,000		-10,000	
Authorized Spending Levels by Revenue Type:								
	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars
Local	0	0	0	0	0	-10,000	0	-10,000
Total:	0	0	0	0	0	-10,000	0	-10,000